

A Practical Guide to Developing a Knowledge Management Culture (KMC) in a Non-Profit Organization (NPO)

Tomasz Kampioni and Felicia Ciolfitto

The Law Society of British Columbia, 845 Cambie Street, Vancouver, BC V6Z 4Z9, Canada

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Abstract: Knowledge is the most important asset of an organization. Being able to preserve organizational knowledge determines profitability, sustainability, competitiveness and the ability to grow. No organization can afford to lose its knowledge base. According to the World Economy Forum, 95 percent of CEOs claim that Knowledge Management (KM) is a critical factor in an organization's success; and 80 percent of companies mentioned in *Fortune Magazine* have staff assigned specifically to KM. Developing a culture of sharing and creating knowledge is a long process that requires changing people's values, beliefs and behaviours. Staff must be convinced of KM benefits and be engaged in programs and initiatives that support transfer of knowledge. Many organizations focus on technology as a silver bullet, losing sight of the fact that people as well as processes are important factors in successful implementation of Knowledge Management Culture (KMC). In this article we will discuss the concept of a knowledge management culture. We will specifically explore how a non-profit organization (NPO) assessed its current environment and capitalized on its existing KMC as a way to leverage its KM program. Creating a KMC is key since technology does not manage knowledge – people do!

1 INTRODUCTION

Knowledge is a critical asset of any organization. It is stored in documents, reports, organizational studies, as well as in people's heads. When an organization loses an employee, it also loses any knowledge that was not captured or transferred to other employees.

In the current competitive job market, staff retention is one of the biggest challenges faced by organizations. Dan Schwabel in the article: "*The Top 10 Workplace Trends For 2014*" points out that 73 percent of workers in the United States are either open to hearing about or are looking for new employment. The Bureau of Labor Statistics of United States reports that people have about eleven jobs between the ages of 18 and 34. Finally, 18 percent of boomers will retire within five years (Schawbel, 2013). These facts alone should encourage organizations to develop KMC and promote capturing and sharing of organizational knowledge.

In 2015, millennials will account for 36 percent of the American workforce. One of the biggest problems companies will have is succession planning. Organizations have to develop knowledge transfer programs and train the Gen X and Gen Y employees

before the boomers retire or they will be in major trouble.

2 NON-PROFIT ORGANIZATION

The nature of a non-profit organization is to serve the public for a defined purpose, without being profit oriented. While the aim of for-profit organizations is to maximize profits and forward these profits to the company's owners and shareholders, non-profit organizations aim to provide for some aspect of society's needs. Despite these differences, both types of organizations focus on improving staff productivity, minimizing costs, introducing more efficient and effective processes, as well as promoting innovation, collaboration and the reuse of information. Many organizations are already taking advantage of KM programs to reach these objectives.

In 2014, the non-profit sector was the third largest employer in United States. It included two million non-profit organizations that employed 10.7 million people and generated \$1.9 trillion in revenue. Non-profit organizations are projecting growth in 2015

that could outpace the corporate sector. However, as non-profits continue to grow, 90 percent of non-profit organizations lack formal retention strategies, succession planning and have no formal career paths for the employees they would like to retain.

According to Nonprofit HR's *2015 Nonprofit Employment Practices Survey* staff turnover in the non-profit sector in 2014 reached 19 percent, and 14 percent of that was voluntary turnover. An increase in voluntary turnover rate from 11 percent in 2012, and 10 percent in 2013, signals employees' increased confidence in the job market. An inability to pay competitively and to promote staff, as well as excessive workloads are the greatest retention challenges faced by non-profits.

Organizations can't stop employees from leaving unless they plan to entice them to stay. Even though non-profit organizations are unable to pay competitively, it turns out that compensation only ranks 4th on the list of job satisfaction elements according to *2014 SHRM Employee Satisfaction and Engagement Survey*. The top job satisfaction factor in the survey was respectful treatment of all employees at all levels and trust between employees and senior management. The opportunity to use skills and abilities in work ranked 6th and career advancement opportunities within the organization and having challenging, interesting and meaningful job were also very important to employees. Keeping people engaged and connected to the organization, as well as providing environment to grow personally and professionally while working on a variety of projects, is the key to fostering employee commitment to the organization's mission.

The culture of the organization can certainly contribute to whether an employee stays or leaves. Non-profits need to make a conscious effort to engage their employees from the recruitment process through the remainder of the employment cycle in order to retain these valuable resources. It is also critical to provide staff with opportunities to learn new things and make them feel that they are part of something bigger.

KMC provides an environment for staff to acquire new skills, to participate in mentoring and apprenticeship programs and to work on cross departmental projects in order to meet the organizational objectives. Organizations are more likely to retain employees who feel engaged and have job satisfaction. KM programs contribute to high levels of employee engagement, and, therefore, greater staff retention.

3 ORGANIZATIONAL CULTURE AND KNOWLEDGE MANAGEMENT

Culture has been called the DNA of the organization. It is about patterns of human interactions that are often deeply ingrained. (Dalkir, 2011). Organizational culture is composed of three building blocks: values, beliefs and behavioural norms. Values hold a central position in organizational culture. They also reflect a person's set of beliefs and assumptions about external and internal environments. In addition, they serve as the basis for the norms that underlie behaviour. Organizational culture defines ways in which people perform tasks, solve problems, resolve conflicts, and treat customers or employees (Schein 1999). KM involves instilling certain kinds of values in the organization. These values have at their core a high appreciation and respect for individual knowledge, as well as a commitment towards fostering knowledge interactions through mutual trust. An organizational culture that promotes KM is founded on the perception that everyone stands to gain by sharing and creating knowledge. It is a win-win culture, in which both individuals and the organization benefit.

In order to support a KM oriented culture, the organization must develop shared values that promote KM. Some of the values such as trust, respect for the knowledge worker and identification with the organizational goals, are universal KM values. (Pasher and Ronen, 2011).

3.1 Misconceptions about Knowledge Management

As you can imagine, a computer system cannot help you to transfer tacit knowledge that is deep in people's minds into documented, explicit knowledge. Technology, next to people and processes, is just one of three components of KM. It is worth remembering that KM programs should not be branded by their technology applications. Wiki or Document Management Systems (DMS) are just tools not brands and they should never promote a KM program. It is crucial to ensure that KM is seen as a holistic approach enabled by dedicated employees, standard processes and technology tools (O'Dell and Hubert, 2011).

The transfer of tacit knowledge usually occurs when people work with other people and share their knowledge. Psychologists have found that in face-to-face talks, only 7 percent of the meaning is conveyed

by the words, while 38 percent is communicated by intonation and 55 percent through visual cues, and up to 87 percent of messages are interpreted on a nonverbal, visual level (Mehrabian, 1972).

It is hard to deny the benefits of face-to-face communication and transferring knowledge through working together. KM programs must promote interactions between employees but also provide technology and support systems to capture acquired knowledge. In addition, organizations must reward employees' contributions to the ongoing process of capturing and preserving knowledge. The participation of staff in KM programs is a key to the development of a KMC in the organization. The Pareto principle, also known as the 80–20 rule, states that, for many events, roughly 80 percent of the effects come from 20 percent of the causes (Reh 2005). When we look at the content contribution on Facebook and Twitter, we notice that 80 percent of content on Facebook is posted by 20 percent of the users. Only one in five Twitter account holders has ever posted anything, and 90 percent of content is posted by 10 percent of the users (Moore 2010). We should keep in mind these statistics while thinking about participation rates for KM approaches using Web 2.0 tools inside the organization. A small group of people are the core contributors of content. The key is to change this ratio and have more people creating and capturing knowledge.

Developing and sustaining a KMC in an organization is a challenging task that goes beyond deploying a number of different applications and systems. It is a complex process that relies on people interacting with each other through face-to-face programs, as well as online platforms. It also needs to be supported by management and incentive programs to keep the knowledge flowing through the organization. Establishing KMC requires a project management approach and all stakeholders must understand what KMC is and its benefits. A KM project team must develop a project plan and achieve a number of milestones before completing the project.

The objective of this article is to provide guidance on how to establish KMC in an organization. The article captures the work, research and experiences that led to introducing KMC in a NPO. However, before we discuss our journey to KMC, we would like to focus on the benefits of KMC and answer the question 'why' organizations develop KM programs.

3.2 Benefits of a KMC

KM strategy must provide a balance between the interactions of people and technology. KM is critical

to efficient operations, and a base for the continuous development and improvement. A KMC offers benefits in terms of succession planning and reduces risk of organizational amnesia. In addition, KMC provides quick and easy access to information and consistency across the organization as well as promotes reusing information and innovation.

3.2.1 Succession Planning

Losing an employee with years of experience can be very disruptive to the operation of a particular department, even to the entire organization. Tacit knowledge that was never captured will be gone forever. With the right programs in place, people's tacit knowledge can be documented and captured providing a foundation and reference point for new staff. Succession planning programs allow organizations to reduce costs and help staff transition to new positions without significant interruption in business operations. Some organizations with strong succession planning programs welcome rotation of personnel as an opportunity for innovation, and for bringing new energy and ideas to the organization.

3.2.2 Reducing Risk of Organizational Amnesia

The National Aeronautic and Space Administration (NASA) admitted that all the lessons learned and the innovations that lead to successful landing on the Moon cannot be found in the collective organizational memory of NASA. This means that NASA's organizational memory cannot be used as a resource to plan a more effective mission to send another manned flight to the moon or to Mars (Dalkir, 2011). Recreating the knowledge that has been lost is an additional cost to the organization that a KMC could have been prevented.

3.2.3 Quick and Easy Access to Information

RDMP Communications surveyed 100 UK executives and found that more than half are unable to access data they need largely because of "disparity of data" and the "volume of data." That problem is only increasing: *Gartner Survey Results* revealed that "data volumes are increasing by over 75 percent every year" (*Gartner Press Release*, 2014).

International Data Corporation's (IDC) Content Technologies Groups director, Susan Feldman (2004) estimates that knowledge workers typically spend from 15 to 35 percent of their time searching for information. These workers typically succeed less than 50 percent of the time. IDC estimates that 90

percent of a company's accessible information is used only once. The explicit knowledge that cannot be found needs to be recreated resulting in time spent on reworking it. The IDC study estimates that the organization with one thousand knowledge workers loses a minimum of \$6 million per year in time spent just searching for information. The cost of reworking the information that was not found cost an additional \$12 million (Dalkir, 2011).

It is hard to estimate the loss of ideas that could have been created based on the information that should have been easily accessible to the staff. Who can afford to keep recreating what has been done before? The idea is to move forward and build on what has been already done instead of spending time and effort on recreating the past.

3.2.4 Consistency Across the Organization

As a customer, getting two different answers to the same question might be frustrating. From an organization's perspective, having customer representatives misinforming clients can put its reputation at risk, as well as present a liability risk.

Capturing and maintaining knowledge, as well as providing staff with an easy access to the information they need, ensures accuracy, professionalism and results in customer satisfaction. However, having an up-to-date KM information system depends on people creating and updating the information. What you put in is what you get out and people should be aware of the importance of keeping the information up to date as their colleagues rely on it.

3.2.5 Innovation

Innovation has three components: reuse of existing organizational knowledge, creativity or invention, and exploitation to create value. A balance between these elements ensures that the knowledge is not wasted, that the organization renews, and that innovation has a business rationale. (Pasher and Ronen, 2011).

Having a KMC in the organization and promoting the transfer of knowledge between employees stimulates innovation. KMC provides access to lessons learned, results in conducted studies, communities of practice, as well as collaboration tools that allow people to share ideas and work together on new products and services. Many companies like Google or 3M grant their staff time for innovation. Knowledge workers can use this time for R&D ideas and work on whatever interests them. Fifteen percent of the time that 3M employees spend on innovation results in the development of new

products that account for 30 percent of sales. In addition, the employees incorporate their own ideas into creating value for the company.

There are many other benefits of having a KMC that might be unique to specific industries or organizations. It is worth noting that the benefits of KM are relevant to all types of industries and all types of organizations. Implementing KM must be a part of the organizational strategy, and be strongly supported by the CEO, and the executives and managers at all levels of an organization.

4 A ROAD TO KNOWLEDGE MANAGEMENT CULTURE

KM implies a strong tie to organizational goals and strategy, and must be part of the organizational vision, mission and strategic goals. It also must be driven by executives whose involvement adds credibility to KM programs and ensures the efforts will last long term. Organizations with successful KM programs have leaders from the CEO to mid-level management, regularly reinforcing the need to share and leverage knowledge. They consistently communicate the value and importance of sharing and reusing knowledge, which has a profound impact on KM efforts. Leading by example means that the executives and managers use the KM platforms to generate and share knowledge as well as participate in a variety of KM initiatives. Organizations that have a knowledge-sharing culture have proven to be more successful than the ones that do not. Employees who collaborate and share knowledge are better at achieving their work objectives, and do their jobs more quickly and thoroughly (O'Dell and Hubert, 2011).

In our organization, the road to KMC started with a CEO initiating the project, obtaining approval of the Management Board, securing funding, and forming a project team that was responsible for developing a project plan based on organizational KM needs. The role of the project team was to introduce a culture of sharing the knowledge, and to develop supporting KM programs and initiatives. The goal was to embed KM into organizational values and peoples' beliefs. A project team had two years to establish a new culture that promotes sharing knowledge, innovation and organizational learning. In order to ensure sustainability and grow of the KMC, it is best to appoint a Chief Knowledge Officer (CKO) who monitors and promotes the KM programs. The KM project has goals, deliverables as well as an end date.

In contrast, KMC never ends, it's an ongoing process that becomes a big part of organizational DNA print.

4.1 Define KM Strategy

KM requires its own strategy that is based on balancing people, processes and technology. A good KM strategy should identify the key needs and issues within the organization, and provide a framework to address them. It is important to identify and prioritize the knowledge required to immediately improve performance and efficiency. The company should focus its efforts on capturing the critical knowledge that has the most value for the organization.

A KM strategy must be linked to the overall business objectives of the organization. The two mostly commonly encountered objectives of KM are innovation and reuse. Innovation is linked to the generation of new knowledge or new linkages between existing knowledge. Reuse forms the basis of organizational learning and should be viewed more as a dissemination of innovation.

The most common business drivers that trigger a need for KM are:

- Retirement of key personnel;
- Need for innovation to compete with other organizations; and
- Addressing internal inefficiencies to reduce cost and improve the quality.

The KM strategy provides a foundation to promote organizational learning, continuous improvement and innovation. It is based on organizational experiences both positive and negative with the focus on avoiding the cost of redundant efforts and designs, by not repeating the same mistakes.

4.2 Business Case for KM

KM strategy must illustrate a solid business case that identifies the benefits and costs of managing critical knowledge. Introducing a KMC into an organization is an expensive process and requires resources and funding. A business case must evaluate the opportunities of better knowledge flow through the organization but also the costs, risks and resource requirements associated with implementation of a KMC. A business case should consider leveraging existing infrastructures including technology and programs that are already in place. This carefully developed document contains a deeper understanding of organizational knowledge assets and emphasizes the value of the project and its implications. The

business case is a key document to obtaining executive buy-in and funding.

4.3 Identify the KM Leader and Project Team

Having the right leadership from the outset is the key to success. Leadership creates vision and strategies that management can then use to plan and budget. Introducing a KMC into an organization should be driven by the CEO or Executives of the organization. They must understand the value of KMC and believe that a KM program will help achieve the organizational objectives.

Developing a KMC is a project that needs a skilful project manager, diversified project team and supporting sponsors that ensure funding and resources for the project. The CEO or Executive team are clearly the best candidates to be sponsors of the KM project.

The Project Manager must have strong communication and project management skills, as well as a good understanding of the organization in order to determine the knowledge needs and strategy. The Project Manager plays a critical role not only meeting project deadlines and objectives, but also in changing organizational culture that will impact each staff member.

The composition of the project team should provide depth of skills and experiences. The KM core group should include people from different departments including Communications, Information Services, Records Management and representatives from business areas that generate critical organizational knowledge. The project team should also include a KM specialist who has skills and experience in the discipline of KM and its approaches (O'Dell and Hubert, 2011).

4.4 Assess Organizational Maturity Level

Culture is a dynamic and fluid medium that changes over time. It is a complex entity that changes within an organization through the maturity process. As an organization matures so does the culture of that organization. Knowledge sharing practices are one of many components of a maturing organizational culture that needs to be monitored and supported to reach higher levels.

Assessing a current KM maturity level of the organization helps to identify strengths, gaps and opportunities for improvement. It also helps to anticipate how both the organization as a whole and

individual knowledge workers within that organization will react to KM initiatives (Dalkir, 2011).

Table 1: KM Maturity Levels (Hubert, Lemons, 2010).

Level	Description
1. Initiate: Growing awareness	The organization is aware that it has a problem retaining and sharing knowledge. Senior leaders support testing a KM proof of concept and creating KM strategy. KM leader assesses current situation of knowledge sharing in the organization, potential barriers and existing KM technology.
2. Develop: Growing Involvement	Initial knowledge approaches are in place. The focus is on helping localized knowledge flow and add value. The KM group has identified improvement opportunities, localized critical knowledge, conducted needs assessment and knowledge gap analysis.
3. Standardize: Aligning processes and approaches	The knowledge flow processes are standardized and the focus is on meeting organizational requirements, achieving results, and developing a supporting infrastructure. The organization has developed KM approaches and supporting tools. KM group has defined roles and responsibilities.
4. Optimize: Driving organizational outcomes	KM efforts align with organizational objectives and the focus is on leveraging core knowledge assets across the enterprise. KM strategy is treated as a core function and integrates with enterprise strategy. KM responsibilities factor into individual performance assessment and are part of talent management.
5. Innovate: Continually improving practices	KM practices are embedded in key processes and the focus is on the competency of the organization. Knowledge flow in the organization supports innovation and continuous improvement. KM is part of part of an enterprise excellence framework and has annual budget to support knowledge sharing programs.

A good understanding of the level of maturity of the organization helps in identifying the potential enablers and obstacles to the organizational cultural changes required for KM to succeed. It also helps to determine types of initiatives and programs that have to be created, as well as a level of knowledge support that will be needed for effective KM programs to be

established within the organization.

The Maturity Model presented in Table 1, characterizes different states of KMC associated with each phase of organizational maturity. Using this model, you can assess the current state of the organization as well as define a desired maturity level. An assessment helps to develop a roadmap and focuses on tasks that need to be finished in order to move to the next level. Skipping levels is not an option. This is an organic growth process that requires people to change their values, beliefs and behaviours. Reaching for higher level of KM maturity, changes organizational culture and it might present resistance and challenges.

4.5 Identify the Problem

It is critical to identify the problem and ask “why” the organization is introducing KMC. It is also important to think in terms of strategic goals and then translate them into operations (Sinek, 2011). Finally, it is worth looking at the organization from the high level perspective and understand how it operates. The project team should consider both the short term and long term implications. In addition, the project needs to be scalable as its development and implementation may occur over a multi-year horizon.

Conducting a needs assessment is a great place to begin. It can also help focus on the nature of the problem, and whether it is internal or external to the organization. Internal is a good place to start because the feedback provided can be immediate. As well, it is good to conduct meetings with various departments to figure out where the bottlenecks are.

The project team should identify existing problems that need to be addressed and classify them into main categories such as efficiency, effectiveness, consistency and innovation. The audience affected by the problem should also be defined, as well as potential solutions and the priorities.

Table 2: Defining Problems and Solutions.

Problem	Category	Audience	Solution	Priority

4.6 Define the Scope of the Project

Keeping in mind the objectives of the project, and budget and resource constrains, such as available staff and time limitation, a list of specific project goals, deliverables, tasks, costs and deadlines should be developed. The project team must document which deliverables are in the scope of the project and which ones are out-of-scope. Setting project boundaries will

manage the expectations of the stakeholders and also lower the risk of scope creep, which results in cost overrun.

In project management, a project charter is a statement of the scope, objectives, and participants in a project. It provides a preliminary delineation of roles and responsibilities, outlines the project objectives, identifies the main stakeholders, and defines the authority of the project manager. It serves as a reference of authority for the future of the project.

4.7 Identify the Stakeholders

Project stakeholders are individuals that are actively involved in the project, or whose interests may be affected as a result of project execution or project completion. They may also exert influence over the project's objectives and outcomes.

Identifying all the stakeholders and getting them on board early is key to a successful project. This is important because change affects every stage of the project from the initial evaluation stage to the implementation and post implementation stage. The needs assessment can be a good change agent in the sense that it can assess the various stakeholders and their positions, as well as the change and risk appetite. It will also explain the rationale of the “why” of the project.

It is really important to communicate the vision, rationale and benefits to all stakeholders on an ongoing basis. A project team must also identify and recruit “champions”, seek out questions and answers honestly, invite participation, acknowledge and deal with rough spots, and be a role model.

One example that generated staff buy-in and engagement was announcing a naming contest for the KM program. In response, the project team got 170 name proposals that came from the staff of two hundred. The project team understood that the award was a key drive in contest participation but rewarding people for their contributions will be an important component of introducing and maintaining KMC in the organization.

4.8 Evaluate Existing KM Infrastructure

It is common to think that the new system will be a saviour and that it is all technology based. But that is not the case. In the first step, you should evaluate existing programs and technology that could support KMC.

The organization needs a holistic approach to introducing and maintaining a KMC. There are a

number of different systems and programs that support different functions of KM. They provide an environment that encourages and makes knowledge transfer possible.

Keeping in mind the project goals and methodologies required to support the KMC, you should evaluate programs and technology that are already implemented in the organization. Your objective should be to leverage existing programs and infrastructure to establish and promote staff participation in KM initiatives.

Below is a list of programs and initiatives implemented by a mid-size organization to develop its KMC. It could be used as a checklist for developing KM infrastructure in any organization. KM's goal is to create and dismantle knowledge. In order to achieve this objective, an organization needs a variety of programs, methodologies and technology to establish a knowledge culture supported by staff.

Organizational Values

- *Mandate and Mission Statement*: clearly posted and referenced so that staff are aware of what they are working towards and how their role fits within the organization and in the achievement of the mandate and mission.

Building Relationships

- *Charity Fundraisers*: staff hosted events to benefit external organizations, but also bring those within the organization closer through working for a common cause;
- *Environmental Awareness Committee*: staff level committee to make improvements to the organization so that it can be “greener”, produce less waste and have an overall positive effect on the environment;
- *Employee Council*: staff level committee to schedule group events, such as annual barbecues and family events. It provides an opportunity for staff to socialize outside of work. As well, allows for suggestion box ideas to be submitted and considered;
- *Informal Management Coffee Meetings*: staff level meetings that allow managers to socialize with no set agenda;
- *CEO Breakfast*: series of breakfast sessions with CEO allowing staff to meet and talk to the CEO in an informal environment and ask any question they might have. It is also an opportunity for the CEO to learn about the challenges that staff faces on a daily basis;
- *Staff Forums*: meetings with all employees and presentation of key initiatives,

accomplishments and challenges. Staff Forums are also focused on obtaining feedback from staff through asking questions and short workshop sessions.

Face-to-Face Knowledge Transfer Programs

- *Working Groups*: staff level groups with clear mandates for improving various organizational functions or processes. This allows input from various different departments and staff so that all perspectives are considered;
- *Leadership Council*: annual process of electing three managers for one year term to work with the Management Board to develop and ensure implementation of operational initiatives in fulfilment of the organization's mandate and strategic plan;
- *Employee Skills Enrichment Program*: specialized training provided by individuals external to the organization on various topics, such as, business relationships, leadership and effective communication;
- *Job Shadowing*: staff driven initiative which allows staff to experience another position within the organization first-hand and become more familiar with the work involved and the challenges therein. It helps build understanding for what fellow co-workers do;
- *Secondments*: management driven initiative which allows staff to move into a temporarily vacant position and expand their skill-set while also offering value to the organization in terms of reduced training costs and pre-existing proprietary knowledge;
- *Breakfast Meetings Between Different Departments*: meetings with the focus on identifying opportunities for improving efficiency and enhancing processes. These breakfast sessions have an informal atmosphere but are focused on continuous improvements;
- *Peer Review Sessions*: an initiative where the knowledge workers present their work, including work in progress, and receive feedback and ideas from their peers.

Technology

- *Customer and Client Database*: databases should be accessible to most internal employees containing information on all current and past customers/clients;
- *Document Management System*: a central repository system for all electronic documents;
- *Organizational Intranet*: place for staff to

access relevant employee policy documents, post a profile and get updates on news around the organization;

- *Department-level Wiki*: place to house precedents or common questions encountered by a particular department as a way to ensure consistency;
- *Organizational Website*: online presence available to various internal and external audiences which houses information on the organization, and helpful forms and resources;
- *Knowledge Mapping* (yellow pages): a searchable online directory of staff profiles that helps finding subject matter experts in the organization;
- *Communities of Practice* (forums, discussion boards, blogs): online communities of people with a common goal and a desire to share experiences, insights, and best practices.

Developing Technical Core Competencies

- *Computer Literacy Program*: provides training to those who may need it to ensure that they are comfortable with how to use the organization's computer systems and software;
- *In-house Training Program*: regularly provides training sessions on various topics of interest, in terms of how to use certain program and suggestions on how to become a more efficient and savvy user;
- *Power Users*: individuals within the organization who are designated experts on various technologies. They are able to assist users who are not as familiar, or who may need extra help;
- *IT Support*: ongoing support from the organizational IT team in terms of software and hardware issues and questions.

Promoting Innovation Initiatives

- *Working Groups*: allows the formation of teams representing several areas of the organization to come together and work on a project that will be of benefit to the organization;
- *Innovation Lottery*: allows employees to propose ideas for how to make their jobs and the organization more effective and efficient;
- *Granting Time for Innovation*: giving time to employees to work on projects that interest them, and to experiment and peruse new ideas and solutions.

Recognising and Awarding Contributions

- *Bonus Program*: annual program that recognizes thriving professionals, and those who perform above and beyond to help advance the mandate of the organization;
- *Annual Recognition Awards*: recognizes those individuals who have made a particularly important contribution that has resonated with many areas of the organization.

Organizational Studies

Core Process Review: a way to map out what each department does and how information flows between them. Allows for recognition of any bottlenecks or duplication of effort. Overall exercise in trying to improve organizational efficiency;

- *Reports from Working Groups*: a formal way to present the work done by a working group and share it with all staff and make clear recommendations on how the organization should proceed;
- *Interviews/surveys* (both internal and external): allows for the gathering of feedback as a way to improve processes and also provide an objective measure of how the organization is doing in terms of its internal staff and external customers/clients.

4.9 Implement Change Management

Introducing a KMC into an organization requires a carefully planned change management process as it will impact all employees within the organization and possibly outside as well. As mentioned earlier, starting with the “why” is important. Change management requires an answer to the question of “why” the organization is doing something.

People on all levels of the organization need to understand the benefit of having well-established KMC. Without buy-in from the majority of staff, there is no chance for successful implementation of a KMC.

In the end, all employees will be involved in an ongoing process of creating knowledge and keeping it up to date. Communication of the benefits of a KMC is critical. In addition, programs need to be

established to support employees in the transition to new information systems, and to ensure that they feel confident using new technology. Staff should be motivated and engaged in the process of creating and maintaining organizational knowledge and to participate in KM programs and initiatives.

5 LAUNCHING KM PROJECT

In the example discussed, the need to introduce a KM program into the organization was identified by the CEO. He got support for the project from the Management Board and secured required resources and funding. He was not only a project sponsor but also a mentor and advocate of this initiative. His involvement provided credibility and support for the project among all employees of the organization. He also appointed a project manager that would lead the work of the KM team. Finally, the CEO was involved in choosing the members of the project team ensuring they have required skills and expertise to successfully reach the objectives of the project.

Keeping in mind the mission and a vision statement of the organization, a project team created a mandate for the KM project that guided the team through the process of establishing the KMC. The first objective of our team was to identify where the critical knowledge is generated, what problems related to retaining this knowledge already existed, who is affected by these problems and what possible solutions could address the issues. This analysis helped up to develop a business case with costs and benefits of KMC, as well as a project plan with the scope of work, deliverables, milestones, schedules, required resources and a budget estimate.

The project team has also realized that staff might not be familiar with the concept of KM. It was decided that it would be beneficial to explain through “lunch and learn” sessions what KM is and communicate the objectives of the project. In order to engage staff in the project, a contest for the name of the KM program has been announced and many employees submitted their proposals competing for prize. Awarding contribution is an important element of a KM program and the project team realized that a recognition program must be in place to motivate staff to share the knowledge.

KMC requires a balanced approach. Our project team identified five critical areas: people, programs, technology, management and a reward system that will help to determine successful implementation of the project.

Figure 1 presents Kampioni’s KMC Self-Assessment Wheel that allows you to evaluate, where your organization is today. On a scale of one to five, where one is developing and five is meeting the criteria, assess all of the five major KMC components. Connect the dots and see if you have an evenly distributed chart. Keep in mind that an evenly inflated wheel will keep your organization moving toward higher levels of KMC.

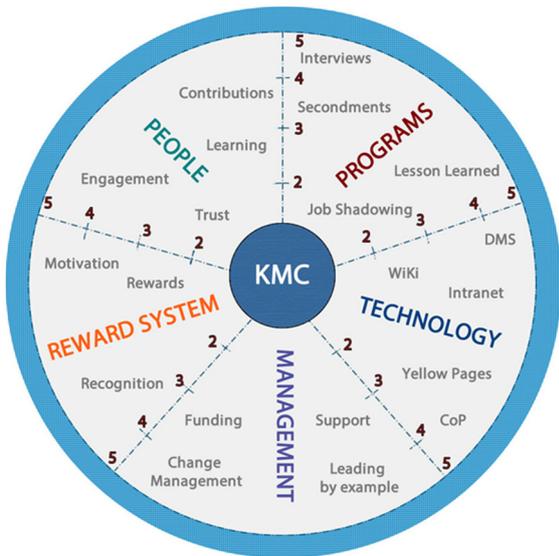


Figure 1: Kampioni's KMC Self-Assessment Wheel.

There is a misconception that KM is a new technology that will be purchased and implemented. Technology is a small part of KMC. It definitely helps to manage explicit knowledge, but many programs are required to transfer tacit knowledge that is deep in people's heads and can be transferred through mentoring and apprenticeship programs, storytelling, job shadowing and secondment policies.

Looking at the problem statement, the project team grouped the issues that could be easily addressed and those that would require more work. The easy tasks were implemented early to give a momentum to the project, generate awareness of the benefits of KM, as well as get people's buy in. Changing the organizational culture and people's values and beliefs takes time, and must be supported by evidence of benefits of the new approach.

Evaluation of existing KM infrastructure revealed that the organization already had a strong KM foundation. The project team focused its attention on promoting existing KM programs, as well as developing new ones. A Computer Literacy and Skills Enrichment Program was designed to improve peoples' computer skills and to ensure that staff had the skills and confidence to use KM systems. Staff contributions determine the success of the program. The project team gradually introduced new KM technologies. In addition, each manager received KM toolkit with tips and best practices to support KMC. They very quickly embraced the role of leaders in their respective operational areas and became KM Champions.

The project team also looked into studies and

research of Jerome Bruner, an American psychologist and educator whose work on perception, learning, memory, and other aspects of cognition influenced the American educational system. Jerome Bruner developed a theory that people acquire knowledge, when they actively participate and reason, rather than passively absorb information, because this is what gives knowledge meaning. In terms of cognitive psychology, reasoning is seen as "processing information," so the acquisition of knowledge should be seen as a process, not a product or end result. (Bruner 1990).

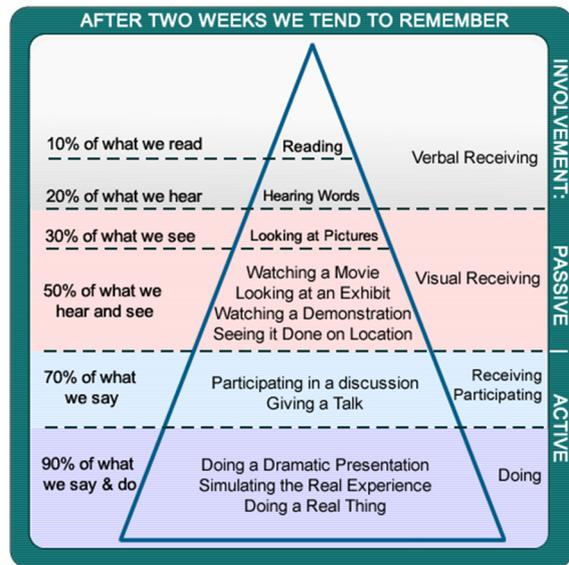


Figure 2: Dale's Cone of Learning.

Edgar Dale's study about the most effective methods of learning influenced the project team to promote and emphasize the importance of hands-on programs. Dale theorized that learners retain more information by what they do as opposed to what they read, hear or observe. Dale's Cone of Learning (Figure 2) illustrates retention rates for different types of learning (Dale 1969).

The project team also emphasized in its communication to staff and managers that having a KMC in the organization requires ongoing efforts of all personnel, especially managers. KMC is not a program with a completion date. The objective of a KM project is to lay the foundation for KMC which needs to be maintained, reviewed and promoted every single day. This role should be assigned to the Chief Knowledge Officer, who will monitor and promote the program.

6 SUMMARY

Non-profit organizations face a great challenge to retain their most talented employees. According to Nonprofit HR's "2015 National Nonprofit Employment Practices Survey", non-profit organizations have experienced a 19 percent employee turnover rate in the United States. Not being able to pay competitively and provide employees with formal career paths, as well as excessive workloads, are the main reasons why people move to the private sector. Although, the results of a 2014 SHRM Employee Satisfaction and Engagement Survey revealed that pay is important, but it seems that organizational culture is even more important. It turns out that the organizations that provide an environment for learning and acquiring new skills, which make people feel engaged and respected, have better retention rates.

Organizations that have implemented KM programs are proven to be more efficient and effective, as well as more competitive and innovative. These are essential characteristics for organizations to ensure sustainability and growth in a dynamic environment. KMC programs get staff involved in a variety of projects, provide personal and professional development opportunities, and make people feel engaged and committed to the organization.

In the journey of introducing a KMC, we have learned how important it is to generate awareness of KM benefits among employees at all levels of the organization. Being able to answer "why" we are doing it, gets staff buy-in and engagement in the processes of managing organizational knowledge.

Leadership must come from the CEO and Executives, and has to be supported by managers at all levels. A carriage without the horse won't get you far. The same rule applies to KMC without management involvement. Staff participation in the knowledge sharing programs is also a crucial factor to keep KM initiatives alive.

Developing KMC is a complex process and people must understand the value of maintaining this culture. Leadership can come from the top, but advocates of sustaining a knowledge-sharing culture should be at all levels of the organization regardless of their official job titles.

In KMC each person is a contributor and benefits from the work of other people. Having easy access to up-to-date information benefits employees, as well as the organization; therefore, each person should take responsibility for maintaining the information that other people rely upon.

People, processes and technology are three major components of KM. They are equally important in the process of managing knowledge. Technology provides infrastructure and people generate content. Processes and different programs stimulate the flow and transfer of knowledge. However, selection of the right programs and technology is very important so as not to overwhelm people.

Clifford Nass, a professor at Stanford University, predicted that multitaskers might be good at filtering information, switching quickly between tasks and organizing their memories to ensure that the important facts are retained. However, his research results indicated the opposite: "It turns out that multitaskers are terrible at every aspect of multitasking" (Eyal, Nass, and Wagner, 2009). HP research indicates that employees that were interrupted by e-mail or instant messages, needed on average of 15 minutes to fully reset their focus and go back to the state of deep thinking they were before the interruption occurred (Lapowsky, 2013). These studies should be taken into consideration before introducing new technology. Each program should be carefully evaluated before rolling it out to all staff. The goal is to focus on developing an infrastructure to capture and share knowledge without causing productivity loss and frustration.

KM requires its own strategy that must support organizational objectives. A strong business case that emphasizes costs and benefits of implementing KMC will get executive support and funding. Once the project is approved, a project team must be established. The composition of the KM team is critical for the success of the project. A results-oriented KM project manager should lead the team containing members from different departments, as well as a KM specialist that is aware of KM approaches and methodologies. In the first step, the project team must develop an achievable project plan. It is important to focus on the critical knowledge and identify where it is generated and understand how to retain it. Considering project goals, budget and available resources, a project scope has to be determined. It will provide guidance for the project team and ensure that each member works towards established goals and objectives.

An assessment and evaluation of existing KM infrastructure that includes programs, processes and technology is a good starting point to develop a project plan and determine the scope of work. New KM platforms and technology might be expensive so it's worth considering leveraging existing infrastructure. However, all stakeholders should be aware that KM is not about technology, but about

staff capturing and sharing knowledge. People must understand the value of efforts to preserve knowledge. A collaborative environment, where people learn from each other and increase their knowledge has been proven to be more productive and attractive to staff. When staff are happy, good things happen for the organization.

It has been proven that we learn by working together and the organization should endorse face-to-face programs that promote better knowledge flow among staff. According to a Harvard study, when face-to-face interaction is used retention of transferred knowledge increases to 71 percent. Further, when visuals are used 28 percent less time is consumed (Tinto, 2006). Succession planning, job shadowing, interviews, secondments and peer review sessions are examples of effective face-to-face programs that through their mentoring and apprenticeship style have proven to be very successful. The organization should ensure that these programs exist and people are aware of them and are encouraged to participate in them.

KM promotes the reuse of information and innovation. This makes the organization efficient and more competitive. Initiatives that promote building relationships, reward people for their contributions, and allow staff to work on cross departmental projects, stimulate the flow of knowledge and learning. Building a KM oriented culture in the organization is an ongoing process that requires a variety of programs and tools, as well as management support. It takes time for the organization to reach the highest level of KM maturity. It will take a lot of effort to maintain this level of engagement. However, the benefits of KMC, and the resulting satisfaction and productivity of staff, are encouraging factors that will help staff to embrace the challenge of introducing and maintaining KMC in the organization.

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